

**SQUAW VALLEY PUBLIC SERVICE DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING MINUTES #793  
September 30, 2014**

**A. Call to Order, Roll Call and Pledge of Allegiance.** President Dale Cox called the meeting to order at 8:30 A.M.

**Directors Present:** Dale Cox, President; Eric Poulsen, Vice President; Directors: Carl Gustafson; Brian Sheehan; and John Wilcox

**Staff Present:** Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Brandon Burks, Operations Specialist III and Thomas Archer, District Counsel.

**Others Present:** Dave and Sally Brew, Tom Day, Nancy Elrod, Emily Fralick, Stewart Gary, Catherine Hansford, Ed Heneveld, Chevis Hosea, Katie Lazzari, Andrea Parisi, Tom Rinne, Peter Schweitzer, Isaac Silverman and Peter Van Zant.

President Cox asked Peter Schweitzer to lead the Pledge of Allegiance.

**B. Community Informational Items.**

- B-1** Friends of Squaw Creek – Ed Heneveld said the group participated in the Great Sierra River Clean-Up Day on September 20<sup>th</sup> picking up trash from Squaw Creek. The group also plans to apply for grant funding for creek restoration.
- B-2** Friends of Squaw Valley – none
- B-3** Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is scheduled for October 9<sup>th</sup> at 6 P.M. in the District's community room. Placer County staff will present the proposed zoning changes related to the *Village at Squaw Valley* Project.
- B-4** Squaw Valley Mutual Water Company (SVMWC) – Mr. Geary said District staff provided the SVMWC with a scope of work to install equipment needed for their new SCADA system. Mr. Burks provided a review of a leak repair including tank repair and valve installation.
- B-5** Squaw Valley Ski Holdings – none
- B-6** Squaw Valley Property Owners Association – Sally Brew said the group participated in a highway clean-up day and a progressive community dinner. She said the Placer County Parks department approved construction of three pickle ball courts at the Squaw Valley Park.
- B-7** Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Truckee River Interceptor Rehabilitation Project, Truckee River Interceptor Hydraulic Model Development, State Route 89/Fanny Bridge Project, *Village at Squaw Valley* Project and General Manager recruitment.
- B-8** Incorporate Olympic Valley – Brian Sheehan reported on the last Local Area Formation Committee (LAFCO) including boundary issues and withdrawal of Citygate Associates to perform the comprehensive financial analysis for the proposed Incorporation of Olympic Valley. The next meeting is on October 8<sup>th</sup>. He is an alternate on the LAFCO board and will be able to vote on incorporation matters. A

potential conflict of interest was reviewed by the Fair Political Practices Commission, which issued a ruling that he may participate.

**C. Public Comment/Presentation.**

Ed Heneveld asked about the status of the Redundant Water Supply project. Mr. Geary said he anticipates work on Phase II of the project to resume in the next month.

**D. Financial Consent Agenda Items.**

Directors Poulsen and Sheehan met with staff on Monday, September 29<sup>th</sup> from approximately 4:30-5:45 P.M. to review items D-1 through D-14 as well as other finance related items on this agenda. In addition, Directors Sheehan and Wilcox met with staff on Monday, September 29<sup>th</sup> from approximately 3:30-4:30 P.M. to review the Hansford Economic Analysis Report which is on today's agenda as item F-3.

Director Poulsen said Mr. Campbell is working to change and update the District's financial reporting. He said tax revenue for the current fiscal year includes a 2.6% increase and the District used a 1% increase when developing the budget. This is different than last year in which we budgeted for a higher amount than received. Salary expense for the Fire Department is a bit high due to work on fires but the District will be reimbursed. There was also discussion of financial reporting after the close of a fiscal year.

Director Sheehan said Mr. Campbell reported on the final status of FY13-14 and the impact on Fixed Asset Replacement Funds (FARF). There was also discussion of the FARF allocations for water, sewer and fire. Mr. Geary discussed the preparation of Master Plans for the District's Fire Dept. as well as its water and sewer systems. These plans will identify long-term capital replacement and capital improvement needs and the funding required to complete the projects.

Mr. Campbell said the water (FARF) was reduced from the balance at the beginning of the year and the sewer and fire FARF funds increased from the beginning balance. The exact amounts are being calculated.

Mr. Geary discussed the capital replacement program and FARF allocations. He said the water FARF was negatively impacted by repairs to Wells #1 and #3 and a water main repair in the Stables area.

Public Comment – none

A motion to approve the financial consent agenda was made by Directors Wilcox/Sheehan as submitted; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**E. Approve Minutes.**

E-1 Minutes for Board of Directors meeting of August 26, 2014.

A motion to approve the minutes for August 26, 2014 was made by Directors Sheehan/Gustafson; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**F. Old & New Business.**

**F-1 Village at Squaw Project Update.**

Director Poulsen left the room due to a conflict of interest from an ownership interest. He listened to the discussion through a one way audio feed.

The Board reviewed the information, discussed the project and accepted public comment.

Mr. Geary said staff and District consultants continue working on six separate analyses to better understand the impacts of the project to the District's systems, operations and financial position. The results of these analyses will inform staff of potential project impacts and, in some cases, long-term planning needs. Staff have been coordinating and directing each of the consultants and providing background project data and assumptions necessary to accomplish their evaluations.

- Water Supply Assessment (WSA) – completed in July, 2014. Due to the historic drought, we plan to append the WSA with the last three (3) years of data (e.g., precipitation, pumping, groundwater elevations, stream flows, etc.) to improve the thoroughness and accuracy of the WSA. Although this appendix is not required, Squaw Valley Real Estate (SVRE) has volunteered to fund the work to improve the validity of the WSA's conclusions.
- Fire Protection and EMS – assessment of project impacts and appropriate mitigations for services – completed in September 2014 and part of this meeting agenda.
- Hydraulic modeling of the water distribution system – scheduled for completion in October or November, 2014.
- Hydraulic modeling of the sewer collection system – scheduled for completion in October, 2014.
- Space needs analyses for Utilities operations – scheduled for completion in November, 2014.

- Financial Projections Modelling – task one of two completed in September 2014 and part of this meeting agenda.

#### Water

Mr. Geary said relevant to the Water Supply Assessment (WSA), District staff received several requests for information, clarification and data. We also have been provided new information about legal agreements that may necessitate minor adjustments to the WSA.

#### Sewer

Mr. Geary said there is no new information to report since last month's Board meeting.

#### Fire / EMS

Mr. Geary said the Fire/EMS Analysis report is part of this meeting agenda.

#### Public Comment

Dave Brew asked if the WSA is amended, will the public be allowed to comment or provide additional information. Mr. Geary said when the amended WSA is presented to the Board, the public will have an opportunity to comment as is the case with any item on the meeting agenda.

Director Gustafson asked about stream flow data and the status of Phase II of the *Creek / Aquifer Interaction Study*. Mr. Geary said the report is anticipated to be completed in October.

Director Wilcox asked if the addendum is in response to a challenge to the WSA and if there have been any substantive challenges. Mr. Geary said since the data is available, it was deemed prudent to include the data to improve the validity of the WSA, but there have been no substantive challenges to the WSA.

Director Wilcox commented on the Sierra Watch letter published in the Moonshine Ink which he believes was inaccurate and cast the District in an unfavorable light by distorting facts in the WSA to influence public opinion. Peter VanZant said if Sierra Watch made any factual errors, they will be addressed.

#### **F-2 Citygate Associates – Fire/EMS Analysis Report.**

Director Poulsen remained out of the room due to a conflict of interest from an ownership interest. He listened to the discussion through a one way audio feed.

The Board reviewed the item and accepted public comment.

Chief Bansen provided a review of the report. Overall, Citygate finds the proposed *Village at Squaw* project significantly increases the human and building fire risks to be protected in the Olympic Valley by the Squaw Valley Fire Department. Chief Bansen introduced Stewart Gary of Citygate to review the analysis.

Mr. Gary reviewed the analysis in a PowerPoint presentation (see attachment A).

The risks are typical to urban development in the United States and, as such, standard mitigations exist, both in the use of the existing fire and building codes, along with an appropriate fire department response. If the mitigations recommended in this report are put into place, from the perspective of the fire and life safety issues, the increased risks presented by the project can be mitigated to a level of less than significant.

#### MITIGATION RECOMMENDATIONS:

Due to the proposed variable development phasing in the current *Village at Squaw* project and the fact that some of the construction phases will have small resident population increases, the impacts to the Squaw Valley Fire Department are based on risks to be protected, not total emergency counts given the modest population growth until plan build-out. However, the larger buildings and increased overnight residency present increasing risk due to patient access time issues in larger buildings and significantly greater potential for simultaneous calls for service.

At peak visitation periods, the Fire Department needs to split on-duty personnel into two crews to be able to respond to different emergencies, ideally from both a west location and the main east Valley location. This need will inevitably become more pressing and common with development and special events that attract a large number of visitors.

#### Recommendation #1: Squaw Fire Staffing Mitigation Phases – In Order

1. Restore career staffing to four personnel on-duty 24/7/365 at the Certificate of Occupancy of the first of any of the development phases described in Recommendation #2 below.
2. Restore one part-time firefighter on 52 weekends for ten hours per day at the Certificate of Occupancy of the second of any of the development phases described in Recommendation #2 below.
3. Add a second part-time firefighter on 22 weekends for ten hours per day at the Certificate of Occupancy of the third of any of the development phases described in Recommendation #2 below.
4. Add a fifth career position 24/7/365 and drop the part-time firefighter on 22 weekends at the Certificate of Occupancy of the fourth of any of the development phases described in Recommendation #2 below.
5. When the last phase, that includes one or more hotels and 75% of the residential units, has already been built, add a sixth career position 24/7/365 and drop the part-time firefighter on 52 weekends.

#### Recommendation #2: Village at Squaw Development Phases for Fire Mitigations (per the Land Use Plan and Development Summary Plan dated June 6, 2014)

The following development phases each trigger staffing mitigations and may occur in any order, but the staffing increases outlined in the five steps above have to be followed in

order, until the fifth staffing mitigation is met. In any staffing increase, if the SVPSD's property tax revenues have not grown enough to provide the increased staffing, the developer would pay the resultant expense gap until the property tax catches up.

- Development in Areas A through D triggers a staffing mitigation;
- Condo Hotels in Area E and/or H trigger a staffing mitigation;
- A single condo hotel on Lot 1 triggers a staffing mitigation;
- A single condo hotel on Lot 13 triggers a staffing mitigation;
- Both condo hotels in Areas K and I cumulatively trigger a staffing mitigation;
- Residential development at 25% plus any single condo hotel triggers a staffing mitigation;
- Medium-density residential development in Areas M and N cumulatively triggers a staffing mitigation.

#### Recommendation #3: Fire Apparatus

Given the fleet replacement plan, if the Village at Squaw's new growth tax base, when added to the existing District revenues, cannot provide the needed capital apparatus replacements on time in addition to adequate staffing up to the point of full Master Plan build-out, then the *Village at Squaw* development will have to close the funding gap. This can be calculated and, if needed, funded at the time each phase's permit is obtained. Thus, the development is guarantying to provide funding for replacement apparatus and delivery to the Squaw Valley Fire Department within 12 months of the gap payment being requested by the District's Board of Directors.

#### Recommendation #4: Capital Facilities

Helicopter Landing Area – Any surface parking removal that takes away a currently-designated medical transport helicopter emergency landing spot (Helispot) must be replaced with a permanent surface-level, above-ground, or top-of-building, all-weather Helispot meeting all FAA and medical helicopter design standards applicable to Squaw Valley's altitude, wind, and weather conditions.

West Valley Fire Sub-Station – By the time 50% of any combination of the condo hotel units has been built, provide a replacement fire station to serve the west end of the Valley in the village area. This fire station should house a two person crew on weekends and peak activity holidays. The apparatus bay shall be large enough for one quick attack unit and one fire department reserve unit or specialty unit (two bays wide, one unit deep).

Potential costs associated with the mitigations were reviewed. Identifying exact costs is impractical for mitigations such as a west valley substation and helicopter landing pad due to many variables such as facility scope and site, California building regulations, Federal Aviation Administration requirements and many others.

The costs for additional personnel resources range greatly depending on property tax revenue and other factors. The District employs enough firefighters for four per duty per day, but cannot fund the overtime needed. The amount needed to maintain four firefighters per day is \$150,000 annually. If, by the time the Village at Squaw reaches a size that would

trigger any of the staffing mitigations recommended in this report, and if the SVPSD property tax revenue cannot pay part or all of the \$150,000 for the needed 4th position's overtime, then the development would pay part or all of the overtime needed until the property tax catches up.

The 6th firefighter position per day would require an additional \$618,000 in current costs. Taken together, adding two career positions per day would cost approximately \$1.2 million annually at current SVPSD employment cost rates.

#### Public Comment

Sally Brew asked if other development besides the *Village at Squaw* project was included in the analysis. Mr. Gary said other development was loosely included in terms of the general plan and conceptual build-out of the valley.

Ed Heneveld commented on the comparison of Olympic Valley to Napa Valley and the focus on firefighting rather than emergency medical service. Mr. Gary said it is difficult to find comparative areas and linear math projections do not work well.

Ed Heneveld asked what would trigger constructing a helipad. Mr. Gary said helipad construction would be triggered when there are no longer safe landing spots either on the snow or on pavement. Chief Bansen said during busy weekends, most of the parking areas are not available for a helicopter landing, so landings are on the snow near the base of Exhibition chairlift. As more of this area is developed, another area will need to be located. Chevis Hosea said the southwest corner of the preferred parking structure, adjacent to the locker room area has been identified for a helipad.

Director Wilcox asked Mr. Gary to comment on the need for aerial apparatus. Mr. Gary said aerial apparatus are very complicated, expensive to operate and maintain and have two very distinct functions. The primary function is to get an observer in place and the secondary function is to get a master fire stream up in the air to put a lot of water on a fire from above. Elevated rescue is not the primary function.

In mid-rise buildings built to older codes, such as an east coast tenement building that's a hundred years old, with access to a window or balcony, they are a life rescue tool because firefighters can get in and people can get out. High-rise construction, west of the Mississippi is generally curtain wall construction which is solid glass that can't be opened, so there's no window or opening to get to people.

Fire-fighting has evolved in large buildings to an all-interior operation. The building mechanical systems are run backwards to evacuate the smoke. Firefighters can't break a window on the eighth floor of a building to vent smoke because the glass is going to fall on everyone below and with a stiff breeze you can't control how far out the glass is going to go under the pressure of the fire gas inside.

Another problem in an area like this is the way buildings are sited as it's very hard to get the ladder truck in a good position. The ladder truck is basically a large truck crane that must be

jacked onto outriggers. Depending on how this is done and how the ladder comes off the turntable, will affect load and angle calculations that the operator has to make. If the operator can only get to one or two corners of the building and if it is off-jacked a bit or comes off the turntable at a weak angle, the operator is further restricted with what can be done.

The way the buildings are sited here with the trees and natural environment, the probability of getting a ladder truck to more than one front door location and effectively get people in and out of a few upper stories will be very slim. Also there is basic geometry impacting the efficacy that most people don't think about. A ladder truck is put next to a building but when the ladder truck is moved away from the building, this reduces the reach of the ladder. You may have a 100 foot ladder but if it is set so far away from the building, you will only reach the fourth or fifth story at best. There may also be a weak angle further limiting the operation to only one person on the ladder.

In Citygate's opinion, aerial apparatus are very expensive, very complicated and dangerous to fire-fighters. In this community, there is limited building and site access and apparatus are available in the greater region through mutual aid. I think it would be a tremendous technology and cost burden on a very small fire department to operate an aerial ladder truck in this environment. Mr. Gary offered that previous studies, past Fire Chiefs and the current Fire Chief are in agreement that an aerial apparatus is unnecessary.

An aerial apparatus is not recommended due to the expense, need for more staff, need for additional training, limited efficacy and physical constraints. The maintenance cost alone would be approximately \$15,000 - \$20,000 per year. Certified mechanics must perform the maintenance and there are very specific inspection requirements which require a certified inspector. It is likely that much of this work would need to be performed out of the area so there are additional transportation costs.

Mr. Gary commented on the ISO rating. A lower rating usually means a better level of protection and lower insurance premiums. Insurance underwriting uses a banded method and the fire insurance portion of a typical homeowners policy is only 15% of the total premium.

Director Gustafson said he is uncomfortable not having an aerial apparatus. Mr. Gary said from a risk management standpoint, the aerial apparatus has a low probability of use with a very high risk and cost impact to the agency.

Break 10:45-10:55 A.M.

**F-3 Hansford Economic – *The Village at Squaw Valley Economic Analysis Report.***

Director Poulsen remained out of the room due to a conflict of interest from an ownership interest. He listened to the discussion through a one way audio feed.

The Board reviewed the item and accepted public comment.



Mr. Geary said the proposed *Village at Squaw Valley* project will have significant impacts on the District's future revenue and expenses. It is necessary to have this financial information to make informed decisions. The Board approved a contract with Hansford Economic Consulting in April, 2013 for \$16,500, which will be reimbursed by Squaw Valley Real Estate (SVRE).

Ms. Hansford has prepared a Technical Memo which provides important revenue projections for the District resulting from the proposed *Village at Squaw Valley* Project. This information will help the District to maintain its ability to deliver a high level of service during construction of the project, and after, when there is higher demand on those services. It should provide some insight into the fiscal impacts of SVRE and District projects that will result in changes in revenue from property taxes, fees and assessments.

Ms. Hansford reviewed the report and reviewed the analysis in a PowerPoint presentation (see attachment B). She said on an annual recurring basis, the District will receive property taxes and water and sewer rate revenues. At Project build-out, the District is projected to receive an additional \$2.5 million each year from the Project in property taxes, \$945,000 each year in water rate revenues, and \$833,000 each year in sewer rate revenues.

Over the course of 25 years to Project build-out it is projected that the District will receive additional revenues of \$69.2 million. Of the total additional revenues, \$33.3 million is estimated from net new property tax, \$20.3 million from net new rate revenue, and \$15.6 million from one-time fee revenue.

Director Wilcox said this model provides a great template to use and update as the project moves forward.

Director Gustafson thanked Ms. Hansford for the comprehensive report.

Director Sheehan said this analysis is only the revenue portion; the expense portion is still forthcoming. The modelling was well done and he appreciates the conservative approach that was taken.

#### Public Comment

Dave Brew asked about the tax revenue allocation to the District and other agencies. Ms. Hansford said the figures in the report only reflect the District's share of property tax revenue.

Ed Heneveld asked about the estimated value of the proposed fractional cabins. Ms. Hansford said she took a conservative approach in her analysis.

#### **F-4 Facility Lease Amendment for Inn Shop.**

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment, approved the lease of a utility bay at 1810 Squaw Valley Road to the Inn Shop and authorized staff to execute the agreement.

Mr. Geary provided a review of the item. Frank Sahlman, owner of the Inn Shop, agreed to reduce the square footage of the space rented from the District at 1810 Squaw Valley Road. The reason the District asked the Inn Shop to reduce its footprint is to allow for expansion of the Operations Department's equipment storage area. Staff drafted a new commercial lease instead of incorporating these changes into an addendum and this new lease will replace the existing lease.

The changes include:

- The leased space is reduced from 1,394 to 357 square feet.
- Reduced parking spots from five to four.
- Reduced rent from \$950 to \$411 per month.
- Changed rent per square-foot from \$0.68 to \$1.15.
- Changed utilities from \$350 per month for six months to \$85 per month for 12 months.
- Changed snow removal from \$500 per year to \$50 per month for 12 months.
- Total monthly rate changed from \$1,167 to \$546 per month.

All directors expressed support of the lease.

Public Comment – none

Directors Gustafson/Wilcox made a motion to approve the lease as presented and authorized staff to execute the agreement with the Inn Shop; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

#### **F-5 Declare Items Surplus and Authorize Staff to Conduct a Sale.**

The Board reviewed the item, accepted public comment, declared items surplus and authorized staff to conduct a sale.

Mr. McGraw and Chief Bansen provided a review of the item. Mr. McGraw provided an updated list of items as the original list is missing one item, a Ford 4x4 truck with a minimum bid of \$10,000. Chief Bansen said some of the fire items will be donated to another fire department rather than make these items available for purchase.

Public Comment – none

Directors Wilcox/Poulsen made a motion to declare items surplus and authorized staff to conduct a sale; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

## **G. Status Reports.**

### **G-1 Fire Department Operations/Capital Projects Report.**

Chief Bansen provided a review of the report. He reported on the District's updated and lowered ISO rating from five to two. The ISO rating impacts insurance premiums and this will be communicated in the District's winter newsletter.

He said the King Fire, which originated near Pollock Pines on Highway 50, grew dramatically in size between 9/17/14 to 9/18/14, from about 27,000 acres to nearly 71,000 acres. By 9/18/14, the head of the fire had reached Hell Hole Reservoir, about 12 miles southwest of Squaw Peak. A change in wind direction on 9/10/14 helped to slow the advance of the fire front and decrease the amount of drift smoke present in Squaw Valley and the Truckee area.

The community meeting was well attended and provided information about the fire. Contrary to rumors that circulated, there were no evacuation orders nor did we anticipate a need to evacuate Squaw Valley. We urged the community to have an evacuation plan and to stay abreast of our updates using the Nixle alert system.

Public Comment –

Dave Brew commented on the importance for law enforcement to monitor people who may be an arson threat. He urged the Board to increase minimum fire staffing to four people as soon as possible, regardless of any development.

### **G-2 Water & Sewer Operations Report.**

Mr. McGraw provided a review of the report. Mr. McGraw said the grant application to fund construction of an intertie with Squaw Valley Mutual Water Company was not approved by the California Department of Water Resources. The project was included in the collective grant application submitted by the Tahoe Sierra Integrated Regional Water Management Plan group.

Mr. McGraw provided a review of the S-Turn water leak repair. The cost of materials was \$44,401, overtime labor cost was \$20,163.43 for a total capital cost of \$64,564.43.

President Cox commended Mr. McGraw and Mr. Burks for their efforts to repair this leak.

Public Comment – none

### **G-3 Administration Report.**

Mr. Campbell provided a review of the report.

Public Comment – none

### **G-4 Manager's Comments.**

Mr. Geary provided a review of the report, including the engineering design work of the intertie and the bike trail snow removal project.

Public Comment – none

**G-5 Legal Report (verbal).**

Mr. Archer made no comments.

Public Comment – none

**G-6 Director's Comments.**

Director Sheehan said he is concerned that depreciation was not included in the budget.

Director Poulsen commended Chief Bansen for his work with the King fire.

**H. Adjourn.**

Directors Wilcox/Poulsen made a motion to adjourn at 12:15 P.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch